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Denmark

Fishery Products

Annual

2001

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Report Highlights:
Denmark ranks fourth as an international supplier of fish products. Fresh fish is generally imported from non-EU countries, then processed and exported to EU member countries. Constantly decreasing cod quotas are putting pressure on prices and import substitutes.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
The Hague [NL1], DA

Executive Summary

With increasing exports, Denmark remains one of the world's leading seafood exporters. In 2000, fish exports increased by DKK 0.8 billion to DKK 15.2 billion (U.S.$1,9 billion). Exports of non-processed fish products increased by 9 percent in 2000 while processed seafood exports increased by 5 percent. Processed seafood exports constitute 54 percent of total seafood exports.

Unprocessed imports as well as processed seafood imports both increased by 14 percent and 12 percent respectively, to DKK 5.9 million ($736,000) and DKK 3.5 million ($438,000) in that order.

In 2000, Denmark exported 629,000 MT of total fish and seafood products, up 10 percent from 574,000 MT the previous year. In quantity terms, imports of unprocessed fish decreased by 12 percent to 415,000 MT and imports of processed fish increased by 3 percent to 116,000 MT. Denmark continues to export significant quantities of fish oil and meal mainly processed from imported raw material. (See DA1009).

All landings, including landings in Denmark of other EU and third countries, of edible fish in 2000 amounted to 469,000 MT, down from 480,000 MT in 1999. Prices were maintained at relatively high levels, which attracted fishermen from other nations including the Baltics and Russia to land their catch in Denmark. The price level is predominantly determined by export prices.

In general, catches are determined by the quotas, while landings for consumption are determined by what can be sold above the minimum prices. Cod quota reductions are putting industries under great pressure. Decreased Danish cod catches are partly substituted by increased cod imports from other countries and imports of other species from, e.g., Lake Victoria in Africa.

Denmark imports 70 percent of its raw material from countries outside the EU (Norway, Greenland, Faeroe Islands and Russia) and sells 89 percent of the manufactured products within the EU, Germany (40 percent), France, and the UK. Apart from the trade registered in the Danish trade statistics, Danish seafood traders are importing from third countries and selling on EU markets.

Total consumption in 2000 is almost unchanged at 200,000 MT. These figures are only estimates and do not take into account stock changes. In general, Danish consumption is considered rather stable at about 20 kg. per person. Of this amount, only 6.5 kg are fresh fish.

Denmark's seafood imports from the U.S. have decreased dramatically in recent years, mostly due to lack of supplies or high costs. Imports of groundfish have declined from 3,592 MT in 1999 to only 473 MT in 2000. Imports of groundfish fillets (5,880 MT in 1998) have totally disappeared.

Exchange rates: 1999: DKK 6.98= US$1
2000: DKK 8.08=US$1
Present: DKK 8.03 =US$1

FISHERY PRODUCTS STRATEGIC INDICATOR TABLE					
		Previous	Current	Next	5 Year
		Year	Year	Year	Projections/
U.S. Competitive Position	Measurement *	Situation	Situation	Expectations	Expectations
U.S. Access Relative to Rest of World- Non-Tariff Measures (NTM)	Worse, equal, or better (choose one)	equal	equal	equal	equal
U.S. Access Relative to Rest of World - Tariffs	Higher, equal, or lower (choose one)	equal *	equal*	equal*	equal*
		* equal with all other EU third countries			
Presence of Marketing Programs (domestic and 3rd country) versus U.S. programs	More aggressive, about the same, or less aggressive (select one)	same	same	same	same
U.S. Prices Relative to Domestic and 3rd Country Prices	Higher, equal, or lower (choose one)	lower*	lower*	lower*	lower*
		* especially for small (1-2 kg) salmon			
U.S. Market Share (3 Year. Average)	Percent	1.1%	2.1%	2.5%	3.0%
		Previous	Current	Next	5 Year
		Year	Year	Year	Projections/
Market Attractiveness	Measurement *	Situation	Situation	Expectations	Expectations
Per Capita Consumption of All Fishery Products	Kg per person	20	22	22	23

Per Capita Consumption of animal proteins (excluding fishery products)	Kg per person	160	160	160	160
Percent of population with refrigerators	Percent	100	100	100	100
Percent of fishery product sales at supermarkets	Percent	50	50	52	70
Percent of total food sales at supermarkets	Percent	80	80	80	85
Percent of animal protein sales at supermarkets (excluding fishery products)	Percent	80	80	80	85
Percent of fishery sales at HRI establishments	Percent	30	30	30	20
Percent of fishery sales at open markets	Percent	20	50	48	10

Salmon, Whole/Eviscerated

Production

PSD Table						
Country	Denmark					
Commodity	Salmon, Whole/Eviscerated				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	0	0	0	0	0	0
Total Production	8500	8500	8500	8500	0	8500
Intra-EC Imports	4000	4897	4000	5000	0	6000
Other Imports	57000	62322	57000	65000	0	67000
TOTAL Imports	61000	67219	61000	70000	0	73000
TOTAL SUPPLY	69500	75719	69500	78500	0	81500
Intra-EC Exports	50000	45142	50000	46000	0	47000
Other Exports	8500	5379	8500	5500	0	6000
TOTAL Exports	58500	50521	58500	51500	0	53000
Domestic Consumption	11000	9814	11000	10000	0	10500
Other Use/Loss	0	15384	0	17000	0	18000
TOTAL Utilization	11000	25198	11000	27000	0	28500
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	69500	75719	69500	78500	0	81500

Statistics on salmon include sea trout. Other uses included salmon salted, smoked or otherwise processed.

The only sea where salmon is caught by Danish fishermen is the Baltic, in competition with Swedish, Polish and Finnish fishermen. The catch is estimated to remain unchanged in the coming years due to quotas.

Danish production corresponds to only 11 percent of total supply, which underscores the importance to the industry of EU imports and export regulations.

The quality of Baltic salmon is considered to be excellent and it is especially good for smoking and curing.

There is no salmon farming in Denmark. There is, however, farm production of trout.

Prices

Auction statistics are no longer publicized as most salmon are caught and sold directly to the industries.

Retail prices are more than six times as high as the landed price paid to fishermen. Although these prices include transport, handling, grocers and retailer profits, VAT (25 percent) and losses, a mark up of about four times seems more than adequate and would certainly contribute to higher consumption.

Consumption

No official statistics exist on Danish seafood consumption. Consequently, the consumption figures are determined from production (catch + imports - exports - other use). However, import statistics seem to be underestimated. The reason for this is probably that imports determined for reexports are not registered. When reexported, however, they are included in the export figures.

Domestic salmon consumption is expected to remain at a level of about 10,000 MT. The increased availability of salmon from extensive farm production in, among other countries, Norway has lowered the price considerably, although they still are imported into EU under a minimum price system. Salmon has therefore become affordable for a larger group of consumers.

Trade

Export Trade Matrix			
Country	Denmark		
Commodity	Salmon, Whole/Eviscerated		
Time period	CY	Units:	Metric Tons
Exports for:	1999		2000
U.S.	153	U.S.	162
Others		Others	
Germany	20672	Germany	20479
France	10706	France	7656
Netherlands	3656	Netherlands	3437
Spain	3612	Spain	4567
Belgium	3167	Belgium	3226
Italy	2995	Italy	2468
UK	729	UK	1080
Sweden	1743	Sweden	1861
Total for Others	47280		44774
Others not Listed	8436		6585
Grand Total	55869		51521

Imports of whole/eviscerated salmon in 2000 are estimated at 67,219 MT, almost all from non-EU countries. Norway and the Faeroe Islands are the main suppliers followed by the U.S. Most of the salmon imported from Norway and the Faeroe Islands are farm-raised, while salmon imported from Northern America is "wild".

Norway and the Faeroe Islands are expected to continue to be the main suppliers. Increased imports from the U.S. and Canada will depend on price differences between farmed Norwegian salmon and wild North American salmon. The growing market for U.S. salmon appears to be for Alaska salmon at a size of about 1 kg. U.S. imported salmon is sold by retail supermarkets, and is not processed and re-exported as most other imported salmon.

Exports of salmon products are dominated by two categories, whole salmon and smoked salmon.

Smoked salmon is one of the few products which is recording rising exports, although at reduced prices. In 1993, 8,081 MT was exported at a total price of DKK 925 million (U.S. $115 million). In 2000, 13,026 MT was exported at a price of DKK 1,085 million ($134 million).

Policy

Denmark has a small marine aquaculture production which produces sea trout and no salmon.

The Danish government is very concerned about nitrate pollution in Danish waters and has taken stringent measurements to reduce nitrate pollution from agriculture. A large number of fish farms can be a pollution factor in the Danish fjords, and the government is not encouraging the development of aquaculture.

Tariff Policy

EU tariffs on salmon are as low as 2 percent.

Marketing

Market Development Opportunities

Increased availability of salmon at affordable prices has opened up the market for additional increases in consumption. The versatility of salmon has made it a popular fish among consumers. The market share for processed/ready-to-eat salmon is increasing and there appears to be considerable room for expansion for these types of dishes.

Groundfish, Whole-Eviscerated

Production

PSD Table						
Country	Denmark					
Commodity	Groundfish, Whole/Eviscerated				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	0	0	0	0	0	0
Total Production	65000	59046	65000	48000	0	46000
Intra-EC Imports	25000	17568	25000	17000	0	17000
Other Imports	55000	60354	55000	58000	0	58000
TOTAL Imports	80000	77922	80000	75000	0	75000
TOTAL SUPPLY	145000	136968	145000	123000	0	121000
Intra-EC Exports	43000	40157	43000	39000	0	39000
Other Exports	2000	7314	2000	7000	0	6000
TOTAL Exports	45000	47471	45000	46000	0	45000
Domestic Consumption	40000	34796	40000	35000	0	35000
Other Use/Loss	60000	54701	60000	42000	0	41000
TOTAL Utilization	100000	89497	100000	77000	0	76000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	145000	136968	145000	123000	0	121000

The groundfish category consists of the following species: cod, haddock, whiting, light and dark coalfish, and hake. Cod is, by far, the biggest contributor to this category (72 percent in 2000). The actual landings depend on the Total Allowable Catch (TAC). Next to cod, coalfish is the most important species of groundfish with a 19 percent share. Cod is caught in the Baltic Sea as well as in the North Sea. While the TAC for the Baltic Sea has been unchanged for 2001, the quota for the North Sea is expected to be reduced by 10 percent for 2002. The cod population in the Baltic Sea is rising, and agreement has been reached to use nets with larger meshes, in order to further increase the population. Such agreement seems to be out of the question for the North Sea. However, EU revision of its fishery policy, expected to be effective in 2003, is rumored to cut the cod catch by up to 40 percent.

To supply the retailers and the industries, Danish seafood traders are looking for substitutes for the traditional cod consumption. They are sourcing Nile perch and Victoria Bass from Lake Victoria. The price per kilo is $3.50 plus $1.42 for freight. Due to the high prices for cod, these prices are still competitive. Such seafood is arriving in Denmark fresh about 24 hours after landing at Lake Victoria. It is distributed fresh around Europe within 24 hours.

Although Norway has established cod farming in the fjords and may reach a production of up to 30,000 MT that amount will still be minor relative to the expected catch reductions. Also, the quality of farmed cod is considered to be lower than that of wild cod, similar to farmed salmon. In Denmark, sea farmed cod has been tried without success, as the nets which limit the cod migration cannot stand the stormy weather. Pilot trials in basins on beaches are now under consideration by the Ministry of Food, Agriculture and Fisheries.

Consumption

Most of the whole/eviscerated groundfish is used for further processing into fillets and other processed products. It is estimated that about 5 percent of domestic consumption is consumed directly as fresh fish. Of the landed whole groundfish, approximately 50 percent is guts, fins, heads and other waste products. In spite of prices having increased 20 to 30 percent the last year, consumption seems to have remained stable.

An increasing part of sales is now going from special fish retailers to supermarkets which now are assuring a high quality through fast sales and special packing. While supermarket shares were about 15 percent just a few years ago, it is now estimated at about 50 percent, increasing to about 80 percent in a five-year period.

Trade

As EU quotas are decreasing, Russia becomes by far the dominant supplier, supplying 35 percent of all imports in 2000. For the first five months of 2001, imports from Russia are 45 percent above those in 2000, totaling 16,555 MT. This is mainly due to imports of frozen cod fished from the Barents Sea. Sweden predominantly supplies fresh cod from in the Baltic Sea.

Danish imports of fresh and frozen cod from Alaska (Aleutian Islands) have been increasing although prices now are rather high. The fish are frozen on board the vessels, and after thawing in Denmark, salted, filleted and exported to the southern European countries. There is also a demand for imports of Alaskan Pollack weighing more than 1 kg, caught by line, frozen on board, and Japanese cut.

Import Trade Matrix			
Country	Denmark		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric Tons
Imports for:	1999		2000
U.S.	3592	U.S.	473
Others		Others	
Norway	18629	Norway	19624
Russia	19557	Russia	27186
Sweden	8712	Sweden	9657
Germany	7545	Germany	4328
UK	2086	UK	1308
Faeroe Islands	1408	Faeroe Islands	1444
		Latvia	2273
		Lithuania	1892
Total for Others	57937		67712
Others not Listed	10323		9737
Grand Total	71852		77922

Export Trade Matrix			
Country	Denmark		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric Tons
Exports for:	1999		2000
U.S.	77	U.S.	
Others		Others	
France	13019	France	12148
Germany	6118	Germany	4591
Netherlands	5985	Netherlands	6393
UK	4061	UK	6334
Spain	5882	Spain	5030
Belgium	2866	Belgium	2143
Italy	2202	Italy	1184
		Poland	1593
		Portugal	744
		Canada	480
Total for Others	40133		40640
Others not Listed	2893		6831
Grand Total	43103		47471

Groundfish, Fillets

Production

PSD Table						
Country	Denmark					
Commodity	Groundfish, Fillets				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	0	0	0	0	0	0
Total Production	60000	54701	60000	42000	0	41000
Intra-EC Imports	4000	3014	4000	3000	0	3000
Other Imports	21000	16402	21000	14000	0	14000
TOTAL Imports	25000	19416	25000	17000	0	17000
TOTAL SUPPLY	85000	74117	85000	59000	0	58000
Intra-EC Exports	53000	43472	53000	32000	0	31000
Other Exports	5000	3463	5000	3000	0	3000
TOTAL Exports	58000	46935	58000	35000	0	34000
Domestic Consumption	27000	27182	27000	24000	0	24000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	27000	27182	27000	24000	0	24000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	85000	74117	85000	59000	0	58000

Production of groundfish fillets is derived from the consumption figure for whole/eviscerated groundfish. There are approximately 15 factories that primarily process groundfish into fillets. In addition to production of fillets, some of these factories also produce ready-to-eat dishes.

Trade

Imports of groundfish fillets were 19,416 MT in 2000, of which 85 percent is imported from countries outside the EU. Groundfish fillet exports totaled, 46,935 MT in 2000. Approximately 93 percent were exported to EU countries. Of third country exports, the U.S. was a relatively large importer. A significant part of the groundfish fillets exported to the U.S. enters the burger industry.

Imported fillets from the U.S. are further processed into fish fingers and ready-to-serve dishes, mainly for East European countries.

Import Trade Matrix			
Country	Denmark		
Commodity	Groundfish, Fillets		
Time period	Cy	Units:	Metric Tons
Imports for:	1999		2000
U.S.	12	U.S.	
Others		Others	
Faeroe Islands	4959	Faeroe Islands	5766
Russia	2511	Russia	2670
Norway	2239	Norway	2170
Germany	1260	Germany	881
Sweden	523	Sweden	782
Greenland	316	Greenland	1152
Poland	1163	Poland	1484
		Lithuania	1109
Total for Others	12971		16014
Others not Listed	3767		3402
Grand Total	16750		19416

Export Trade Matrix			
Country	Denmark		
Commodity	Groundfish, Fillets		
Time period	CY	Units:	Metric Tons
Exports for:	1999		2000
U.S.	1294	U.S.	1800
Others		Others	
Germany	14668	Germany	14816
UK	8772	UK	8448
France	5721	France	5318
Spain	2911	Spain	2711
Sweden	2809	Sweden	3046
Italy	2925	Italy	2729
Belgium	2517	Belgium	2025
Netherlands	1106	Netherlands	1007
		Ireland	1537
Total for Others	41429		41637
Others not Listed	6843		3498
Grand Total	49566		46935